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Office of the State Controller

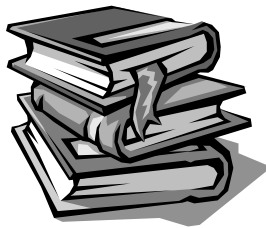


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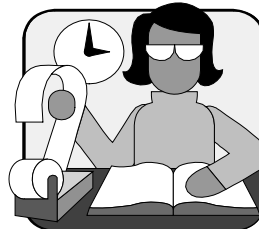
FY07-08 Closing and FY08-09 Opening Training

Presented by

Office of the State Controller



May 1, 2008



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Presenters

David McDermott, State Controller

Reporting & Analysis

Karoline Clark 303-866-3811

FAST

Lynn Gabenski 303-866-2626

Tammy Nelson 303-866-3891

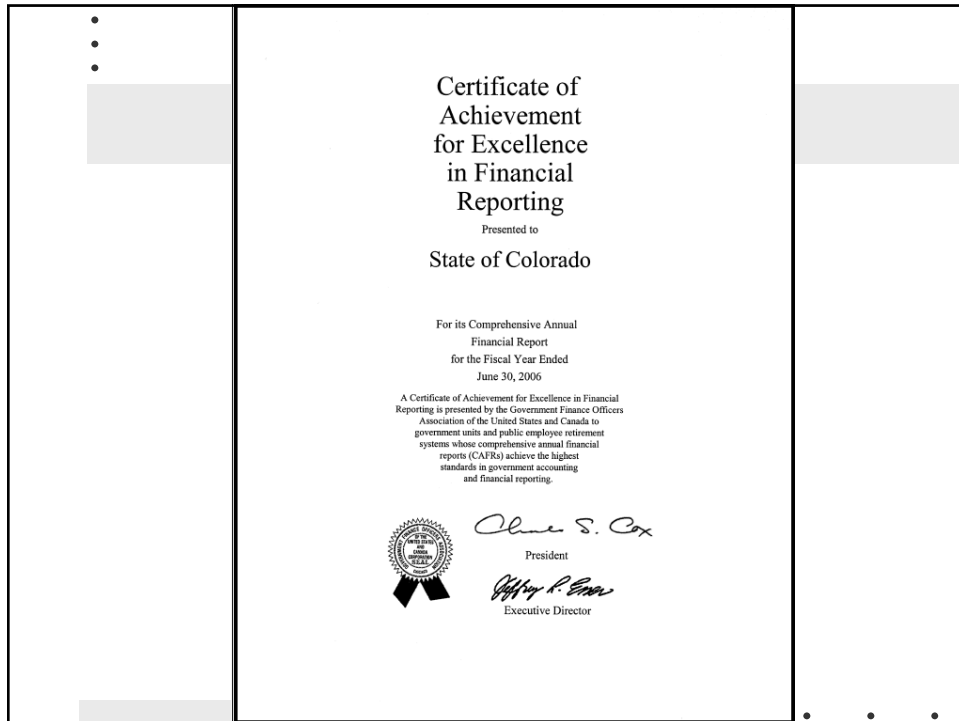
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Agenda – General Session


- Opening Comments
- Calendar Highlights – Closing and Opening
- Administrative Highlights
- FAST Issues
- R&A Closing Changes/Issues
- Long Bill Recast
- Questions

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Opening Comments

- Fiscal Procedures Manual
 - <http://www.colorado.gov/dpa/dfp/sco/FiscalProcedures/Cur/manual08-09.htm>
- Audit Risk Letter
- Highlights
- Agency Planning Checklist



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FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30
- August 13
- August 29
- Audit Completion



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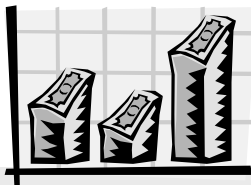
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FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30
- August 13
- August 29
- Audit Completion

- Final Close of period 12.
- Last day for PV, IT, CR, encumbrance transactions. (See table Chapter 1, Section 3)



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FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30 ←
- August 13
- August 29
- Audit Completion

- Period 13 closes for agency input.
- This is it.
- No more entries.



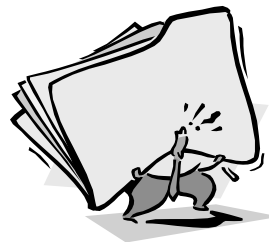
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FY07-08 Calendar Highlights

CLOSING

- July 11
- July 30 ←
- August 13
- August 29
- Audit Completion

- Agency exhibits (except I, J & K) due to OSC. (Chapter 3, Section 5)



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FY07-08 Calendar Highlights

CLOSING

- July 11
 - July 30
 - August 13
 - August 29
 - Audit Completion
- Exhibits I & J due to the OSC. (Chapter 3, Section 5)



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FY07-08 Calendar Highlights

CLOSING

- July 11
 - July 30
 - August 13
 - August 29
 - Audit Completion
- Submit copy of Management Representation Letter to OSC.



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FY08-09 Calendar Highlights

OPENING

- June 16
- July 11
- August 18



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FY08-09 Calendar Highlights

OPENING

- June 16
- July 11
- August 18

- Deadline for agency's level 3 approval on AP documents needed to record the FY08-09
- Long Bill

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FY08-09 Calendar Highlights

OPENING

- June 16
- July 11
- August 18

- Rollover of purchase documents from FY07-08 to FY08-09. Coding for EPS transactions must be correct, EAP transactions must be agency approved from SUSF. (Chapter 1, Section 4)

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FY08-09 Calendar Highlights

OPENING

- June 16
- July 11
- August 18

- COFRS goes on “full appropriation control”.



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Calendar Review

- Closing
 - July 11
 - July 30
 - August 13
 - August 29
 - Audit Completion
- Opening
 - June 16
 - July 11
 - August 18

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Administrative Highlights

- * Fiscal Officer contact information is now maintained **ONLY** on the OSC's website:
<http://www.colorado.gov/dpa/dfp/sco/contacts/fiscalcontacts.htm>
 - Do not submit changes to OSC staff
 - Make updates via the automated form
 - View contact information at these sites
- * Acronym list – Chapter 1, Section 1

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FY07-08 Closing Highlights

* Sweep Entries

Include in JA entries made on July 31
and Aug 1

- Agency must include cash entry in JA
- Chapter 3, Section 3.16
- Normally automated except during OSC close
- Ensures fund balances in funds 100 and 461 equal zero.

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FY07-08 Closing Highlights

- Pay date shift
 - See Chapter 3, Section 3.27
- Overexpenditures or transfers must be approved PRIOR to releasing warrants.
 - Chapter 3, Section 1
- Fund Balance reclassification
 - Use of fund balance accounts other than 3400
 - Use of b/s acct 3161 (Chapter 3, Sec 3.26)

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FY08-09 Opening Highlights

- Capital Construction IT Projects
 - Letter of Intent to Certify (Chapter 4, Sec. 1)
- Carry Forwards into FY09
 - No carry forward AP's until close out of FY08

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FAST Issues

- Diagnostic Reports
 - Don't wait for FAST
- JAs during OSC close
 - Not for agency use to finish closing process
 - OSC's time to review and make material corrections
- Exhibit H's
 - Think of them as paper JV's that never appear on COFRS data

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FAST Issues

- IRS forms 8038, 8038-G, 8038-GC, and 8038-T
 - Chapter 5, Section 6.3
- Software Capitalization
 - Chapter 9, Section 1.4.1 thresholds
 - Chapter 9, Section 1.12 what to include in capitalizing internally developed software

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FAST Issues

- Security
 - Audit comment - Employees retaining security after leaving employment
 - PV: enter, correct, approve
 - NEVER, NEVER, NEVER....well almost

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FAST Issues

- Forms on the Website are now Adobe fillable forms.
 - Accounts Receivable collections 30 day waiver
 - Capital Construction certification
 - Financial Responsibility and Accountability Act (FRAC)
 - Loan and Advance Initial request
 - Loan and Advance Renewal request
 - Overexpenditure form
 - Rollforward form

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Other Issues

- Fiscal Rules
 - Recent presentations; CFMA & CCIT
 - For updates, please check our website
 - Bob Jaros, 303-866-3765
 - Bob.jaros@state.co.us

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Other Issues

- HB08-1321
 - Previously known as the “Headnotes to the Long Bill” are now substantive legislation

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Questions

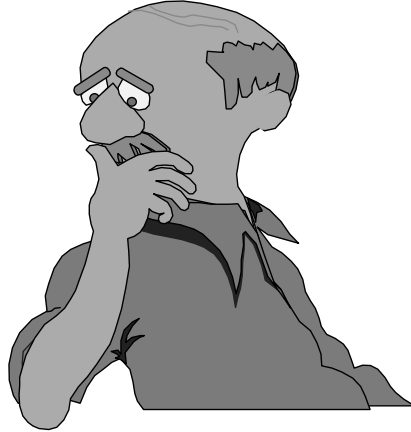
FAST:

Lynn Gabenski	303-866-2626
Tom Gamache	303-866-3890
Susan Meade	303-866-4161
Trinka Mullin	303-866-4162
Tammy Nelson	303-866-3891
Brenda Shelinbarger	303-866-4165

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Questions?



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Reporting & Analysis Issues

- General Information
- Changes to F/S and Closing Accounting Issues
- Changes to Exhibits
 - Exhibits D, E, H, Bank Confirmation
 - GASB 48 – Sales and Pledges of Receivables and Future Revenues (as it relates to Exhibit E1/E2)

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Reporting & Analysis Issues

- Changes to Chart of Accounts (to be mentioned during the Long Bill discussion later)
- Upcoming Standards
 - GASB 49 – Pollution Remediation
 - R&A will be sending a survey for responses

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R&A General Information

- Annual reports prior to final close (after Period 12)
 - Unrealized Gain/Loss (T-Pool Allocation)
 - Based on Period 12 cash balances and June 30 fair value
 - Exhibit Reconciling Balances Report
 - Exhibits C, D1, D2, F1 only, and depreciation expense
 - Purpose: proper classification of balance sheet accounts between current and long-term

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R&A General Information

- Agency close is Wednesday, July 30th.
 - Closing reports on or shortly after August 6th (Page 102-103)
 - Final Diagnostics
 - Variance Analysis
 - Exhibit J Data Report (distributed by FAST)
 - Final Exhibit Reconciling Balances Report

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Chapter 3 Section 3

- Compensated Absences Accrual PERA
Percentage applicable to annual leave
(page 89)
 - 12.05% most state employees
 - 14.75% State Troopers /CBI Agents
 - 15.56% Judges
- Percentage expected to retire not yet available
 - PERA's actuary Cavanaugh McDonald Consulting is working on data
 - Watch the Alerts for this item (June 8 last year)

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Chapter 3 Section 3

- Diagnostics available on Financial Data Warehouse (page 100-101)
 - Self-service
 - Available every day based on COFRS prior nightly cycle

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Chapter 3 Section 4

- Suggested PERA footnote disclosures (page 112)
 - Contribution rate changes for AED and Supplemental AED

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⋮ Chapter 3 Section 5: Exhibit D1/D2 –
Debt Service Requirements to
Maturity (page 144-147)

- New section added to these Exhibits for additional disclosure purposes
 - Provide the Total Amount of the Original Obligation for Each Type of Debt
 - Provide the original obligation amount including any premium or discount.
- Helps readers of the CAFR determine State's progress in paying down its debt.

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⋮ Exhibit E - Schedule of
Revenue Bond Coverage
(page 148)

- Reporting on this exhibit has been expanded due to GASB Stmt 48.
- Exhibit E is now split into Exhibit E1 and Exhibit E2.

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Exhibit E1 – Schedule of Revenue Bond Coverage

- Section A: Same as previous years (amount of pledged gross revenues and related Debt Service) EXCEPT:
 - Report each pledge commitment (debt issuance) on a separate line of this section.
 - The pledged revenue amounts in this section must tie to the Pledged Revenue accounts in COFRS.

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Exhibit E1 (continued)

- Section B: Pledged Revenue Detail (new):
 - For each pledge in Section A, list the pledged revenue source code(s) and provide the projected revenues (remaining balance) through the end of the pledged revenue commitment.
 - Calculate Pledged Revenue as a percentage of the total revenue stream.
 - Provide inception date and end date of each commitment.

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Exhibit E1 (continued)

- Section C: Nature and Purpose of Debt Secured (new)
 - Provide information for each pledge commitment.

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Exhibit E2 – Sale of Future Revenue Streams (page 150)

- We are required to disclose information related to the sale of future revenue streams.
 - Complete this exhibit in the year of sale.
 - **Section A:** Provide information such as:
 - Sale proceeds
 - Present Value of future revenues sold
 - Period to which sale applies.
 - Total amount of revenues sold
 - Sold revenue as a percentage of the total revenue stream

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Exhibit E2 (continued)

- **Section B:** Significant assumptions used to determine amount of future revenue.
- **Section C:** Significant assumptions used to determine the present value of future revenue.

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Exhibit H – Proposed Post Closing Entries (page 158-159)

- The OSC has changed the threshold of this exhibit.
 - Report only errors or audit adjustments that exceed \$200,000.
 - In addition, use this exhibit to report errors that are over \$1,000 that would cause/prevent an overexpenditure.

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Bank Confirmation Form (page 192)

- Due to an audit comment in FY07, we have made some changes to the bank confirmation form.
 - Format change - new column for the PDPA number.
 - If your agency has more than one account at a bank with the same PDPA number, use one confirmation form and list each account number separately.

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Bank Confirmation Form (con't)

- Please see page 192 in the FPM for a link to a listing of PDPA numbers by agency, and complete this section of the form before sending it to the bank.
 - Once received, please review the form carefully, and contact the bank if the form is incomplete or incorrect.

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A/R and A/P Confirmations

(page 236-239)

- The cutoff date for initiating a rec/pay confirmation is 07/22/08 for FY08.
- In the past, selling agencies have sent confirmation forms after the cutoff date, which requires the buying agency to record additional expenditures/payables late in the process.

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A/R and A/P Confirmations

(con't)

- New for FY08:
 - No confirmations may be initiated after the cutoff date. Buying agencies are authorized to refuse confirmations after this date.

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A/R and A/P Confirmations (con't)

- New Procedure:
 - After cutoff date, the selling agency must record the receivable as EXTERNAL instead of inter/intrafund.
 - If the external receivable amount exceeds the \$200,000 Exhibit H threshold, selling agency must submit an Exh H to OSC.

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A/R and A/P Confirmations (con't)

- The buying agency will be requested to complete an Exhibit H (by OSC) for a intra/interfund payable only if the OSC determines that the entry would be material to the financials.

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Chap 5 Sec 5 TABOR (page 303)

- Table listing of TABOR exempt enterprises with fund numbers has been updated.

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Chap 5 Sec 5 TABOR (con't)

- At this time, we are anticipating that Western State College, Mesa State College and potentially Adams State College will lose TABOR enterprise status for FY07-08.
 - Please review any revenue received from these institutions to ensure proper recording for TABOR purposes.

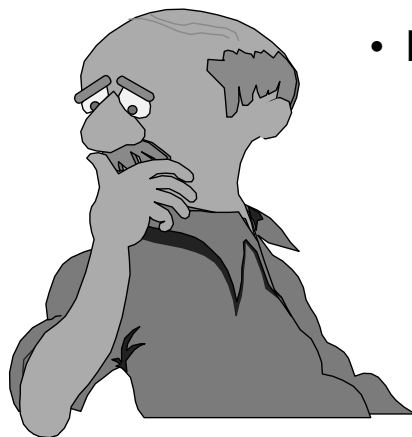
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Chap 5 Sec 5 TABOR (con't)

- As a reminder, TABOR indicators are now displayed with the Chart of Accounts to assist you with proper TABOR recording.
- You must satisfy both requirements:
 - Correct TABOR coding of revenue.
 - A GCF code that matches your budget column definition (will be discussed during the Long Bill Recast).

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Questions?



- R&A@state.co.us